Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Cross-Ownership of Broadcast Stations and Newspapers	)	MM Docket No. 01-235
	)	
	)	
Newspaper/Radio Cross-Ownership Waiver Policy	)	MM Docket No. 96-197
	)	

To: The Commission

REPLY COMMENTS OF WESTWIND COMMUNICATIONS, L.L.C.

Westwind Communications, L.L.C. ("Westwind") is the licensee of Television Station KBAK-TV, Bakersfield, California. Westwind submits these reply comments in support of its position that the prohibition on the ownership of a daily newspaper and a local television station in the same market should be eliminated.

The Newspaper Television Cross-Ownership Rule Should Be Eliminated

The market in which KBAK-TV operates has become increasingly competitive and consolidated. Bakersfield is the 130th ranked DMA as determined by Nielsen. In recent years, it has become more and more difficult for a stand-alone operator such as Westwind to compete effectively with group operators of television and radio stations. Group operators are able to procure the most competitive programming by negotiating with syndicators on behalf of multiple markets.

Westwind's purchase of technical equipment costs more because, as a stand-alone operator, it does not benefit from the group leverage and volume purchasing discounts afforded by equipment vendors to group operators such as Disney/ABC or Clear Channel.

One way operators like Westwind can compete effectively is to focus their resources on creating compelling local news, weather, sports and public affairs programming. The ability to devote financial resources to such local programming is, of course, hindered and squeezed by the competitive cost considerations noted above. Allowing the common ownership of a stand-alone local television station like KBAK-TV with a daily newspaper would allow for significant cost-saving and efficiencies while at the same time increasing the amount and quality of local news, sports and public affairs programming. The ability to leverage local newsgathering resources in this way can provide a significant competitive boost in local markets and particularly, in smaller markets.

In the past two years in the Bakersfield market, Clear Channel, which owns five radio stations, has acquired KGET-TV the NBC affiliate. Univision which owns two television stations KUVI-TV (UPN) and KABE-TV (Spanish language) is expected to bring a second Spanish language station to the market this year. Three major national radio groups, Buckley (four stations), American General Media (six stations), and Clear Channel (five stations), all have significant group operations in Bakersfield. To be sure, such companies ought not be able to combine with a local daily newspaper. However, a stand-alone television station like KBAK-TV should be permitted to do so. Allowing the combination of a single television station and a local newspaper would only enhance competition and service to advertisers and the viewing and reading public.

The newspaper/broadcast cross-ownership rule should be repealed in its entirety. The evidence in this proceeding supporting total repeal is compelling. It includes extensive data on

31 existing newspaper/broadcast combinations, including "voice" counts and other data in the relevant markets as well as the public interest benefits of co-ownership. Commenters also provided extensive market data on an additional 15 markets.

The record evidence demonstrates that there will be no harm to competition and no harm to diversity if the newspaper/broadcast cross-ownership rule is repealed.

There is a difference of opinion among the commenters with respect to what constitutes the relevant advertising product market for purposes of assessing the impact of repeal on competition. It is not necessary, however, for the Commission to resolve that issue. If newspaper advertising and broadcast advertising *are not* substitutes, then there would be no harm to competition if the cross-ownership restriction were rescinded. Conversely, if newspaper advertising and broadcast advertising *are* substitutes, then, both (i) based on existing econometric studies and (ii) due to the explosive growth in local media advertising outlets over the past quarter century, as demonstrated by multiple commenters, repeal of the cross-ownership restriction would not lessen or harm local competition.

With respect to viewpoint diversity, not a single party submitted *evidence* of actual harm to diversity in any of the 46 markets in which newspaper/broadcast combinations now exist. In view of the voluminous filings made by Consumers Union, United Church of Christ, and the AFL-CIO in opposition to repeal, it is difficult to imagine that evidence of actual harm to diversity would not have been submitted if such harm exists. The record before the Commission contains, then, on the one side, voluminous, detailed evidence of the great diversity of "voices" available in local media markets against, on the other side, speculative, conclusory arguments—unsupported by any evidence—of the alleged harm to diversity if the newspaper/broadcast cross-ownership rule is repealed.

Conclusion

The evidence is indisputable: Neither the FCC's interest in promoting diversity nor the FCC's interest in promoting competition provides any foundation for the continued existence of the newspaper/broadcast cross-ownership rule. The rule, therefore, should be repealed in its entirety.

Respectfully submitted,

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February 15, 2002